GOVERNOR'S OFFICE OF
STRATEGIC PLANNING AND BUDGETING

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M E M O R A N D U M

TO: All Agencies
     Budget Contacts

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DATE: October 15, 2003

SUBJECT: AFIS Budget Loading - Fiscal Year 2004

As established in prior years, the Governor's Office of Strategic Planning and Budgeting (OSPB) in conjunction with the General Accounting Office (GAO) is **requiring** that all state agencies load their FY 2004 budgets into the Arizona Financial Information System (AFIS) in a manner consistent with the way the agency's budget request is submitted to OSPB.

This letter provides information and instructions to agencies regarding the following topics:

- Budget loading hierarchy and program budgeting
- AFIS as a management tool
- Budget loading instructions – Submittal of GAO 511
- Agency Budget and Appropriation Allotments – Review of DAFR6230
- General Information

BUDGET LOADING HIERARCHY AND PROGRAM BUDGETING
Agency budgets should be loaded in a manner consistent with the way the agency's budget request is submitted to OSPB pursuant to A.R.S. §35-113. Loading budgets at this detail level is also consistent with the General Appropriations Act (Chapter 262, Laws 2003, 1st Regular Session) which requires agencies with lump sum appropriations to report actual expenditures in a format similar to the hierarchy used for budgetary purposes. Although this request specifies a minimum level for budget loading, it does not restrict agencies from allocating its budget at lower operational levels than those used for budget submittal purposes, indeed it encourages such action.

AFIS AS A MANAGEMENT TOOL
Over the past five years GAO has designed and implemented an AFIS Management Information System that includes several on-line inquiry screens that enable agencies to track their budgets and appropriations by object of expenditure.

Screens currently available are:
Expenditure/Operating Transfers & Encumbrances
- Status of Appropriation by Org/Prgm (51)
- Status of Appropriation by PCA/Index (51B)
- Status of Fin Data by COBJ/CSRG - Org/Prgm (51C)
- Status of Fin Data by COBJ/CSRG – PCA/Index (51D)
- Status of Budget by Org/Prgm (52)
- Status of Budget by PCA/Index (52B)
- Status of Appropriation by Appn No (53)
- Status of Fin Data by COBJ/CSRG-Appn No (53C)
- Status of Grant (66A)
- Status of Project (80A)

General ledger screens:
- Status of General Ledger-Trial Balance (65A)
- Status of General Ledger Accounts (65B)

Encumbrances/Pre-encumbrances & Receivables:
- Status of Enc/Pre-Enc/Receivables (64A)
- Status of Receivables (64B)

Revenue Screens:
- Status of Revenue By Fund (63A)
- Status of Revenue By Appn No (63B)

MIS Detail:
- MIS Detail Trans Inquiry PCA/Index (84C)
- MIS Detail Trans Inquiry Org/Prgm (84B)
- MIS Detail Trans Inquiry Grant/Project (84D)

BUDGET LOADING INSTRUCTIONS – SUBMITTAL OF GAO 511
As detailed above, FY 2004 budgets must be loaded in a structure similar to the one used for budgetary purposes for the FY 2004 budget cycle by line item of expenditure. For example, the Department of Agriculture submits its budget by program by fund. Therefore, the budget would be loaded by line item by program by fund.

The budget for an object can be entered using any comptroller object that rolls up to that object code. However, specific comptroller objects are available for this purpose. For example, the table below identifies comptroller objects that may be used to roll up to each appropriate object code.

DO NOT LOAD YOUR BUDGET AS A LUMP SUM UNLESS PRIOR APPROVAL IS OBTAINED FROM THE OSPB DIRECTOR AND COMMUNICATED TO THE GAO.

OBJECT	DESCRIPTION	COMPTROLLER OBJECT
6000	Personal Services	6001
6100	Employee Related Expenditures	6101
6200	Professional & Outside Services	6201
6500	Travel - In State	6501
6600	Travel - Out of State	6601
6700	Food	6701
6800	Aid to Organizations and Individuals	6801
7000	Other Operating Expenditures:	7001
8100	Capital Outlay	8101
8400	Capital Equipment	8401
8500	Non-Capital Equipment	8501

The amount loaded should not be limited only to the General Appropriations Act. Agencies must also include any supplemental bills or special legislation, which may have been enacted containing a separate appropriation. Please refer to the FY 2004 JLBC Appropriations Report for these amounts. Budgetary information MUST be entered in a manner consistent with the way the agency's budget request was submitted to the OSPB. If an agency has difficulty determining the proper hierarchy and amount for budget loading, they should contact their OSPB analyst.

For those few agencies using agency objects for their expenditures, remember that an agency object is required to load line item budgets. However, be sure that they roll-up to the correct comptroller object.

Once your budget loading is developed, enter the information into AFIS. If your agency is off-line, submit your completed form GAO-511 (Appropriation/Agency Budget Transaction Form) to the GAO for processing. A copy of the form can be obtained at the GAO website at www.gao.state.az.us. Be sure to code TC020 in the transaction code block. If you have any questions you can contact your GAO liaison.

AGENCY BUDGET AND APPROPRIATION ALLOTMENTS – REVIEW OF DAFR6230
AFIS has been structured to allow the agencies a set of controls through the "Agency Budget Allotment" while the GAO maintains an additional set of control through the quarterly "Appropriation Allotment". The GAO is responsible for processing the appropriation transactions and the agencies are responsible for agency budget transactions. Each agency should verify that their budget agrees with the appropriation loaded for their agency and that the budget allotments match the appropriation allotments that have been allocated.

After the budget load transactions (TC020) are posted in AFIS, the system will automatically generate Budget Allotment transactions (TC022) to allocate the budget into either twelve monthly or four quarterly periods. Following the completion of this process, GAO will distribute report DAFR6230 (Financial Planning & Revision - Agency Budget) to all agencies through Control-D. This report needs to be carefully examined to ensure that the budget is fully and correctly recorded in AFIS and the monthly or quarterly allocation is appropriately done. If your agency is off-line or not able to access Control-D, please contact your GAO liaison to request a copy of the report.
Your "Agency Budget Allotment" schedule should reflect anticipated spending patterns. Agencies have the flexibility to establish either quarterly or monthly allotments. For instance, you should allot

extra monies in personal services and ERE in the two months or quarters where there are three pay periods during the month. Any other specific instances of expenditures that are not part of an average flow (i.e., medical and dental insurance sweep, risk management charges, COSF rent or lease-purchase rent payments, sick leave payoff) should be accounted for in your "Agency Budget Allotment". To address medical and dental insurance sweep requirements the "Appropriation Allotments" will be set at 31%, 21%, 20%, and 28% for quarters one through four respectively for the General Fund appropriations containing Employee Related Expenditures (ERE). To address potential revenue shortfalls in FY 2004, the General Fund (other than ERE) and TANF appropriations, will have the "Appropriations Allotment" set at 23%, 24%, 23%, and 30% for quarters one through four respectively. All other "Appropriation Allotments" will default to 25% in each quarter unless otherwise requested and approved. Additionally, the GAO will adjust the quarterly "Appropriation Allotment" based on the appropriate period in which expenditures will be incurred for all pay plan monies. Appropriations involving entitlements and mandated payments will be maintained at the historical allocation levels.

Two points that are important to remember:

1. Any time you make a change to your quarterly allotments using TC002, "Appropriation Allotment", you must make a corresponding change to your monthly or quarterly budget allotment using TC022, "Agency Budget Allotment", or TC023, "Agency Budget Allotment Decrease".

2. When you make an appropriation transfer using TC004, "Appropriation Transfer Out", TC005, "Appropriation Transfer In", TC007, "Appropriation Revision", or TC018, "Salary Adjustment - Increase", you must make a change to your budget using TC021, "Agency Budget Adjustment".

GENERAL INFORMATION:
In order to issue October monthly reports with budget information, all budgets must be in AFIS by November 7, 2003, using an October effective date. However, off-line agencies must submit information to the GAO by November 4, 2003 to meet the deadline. Once the budgets are loaded, agencies must code their expenditures in accordance with their loaded budget information.

Capital Outlay (Land, Buildings, and Infrastructure) will not require budget loading. Also, this memorandum does not affect agency budgets for non-appropriated Grants or Projects. However, budgets may be loaded and controlled for management purposes at the discretion of the agency.

Entering the budgets into AFIS in this manner will provide all concerned parties with much more meaningful management reports. Additionally, it will provide your managers with a better tool for budget monitoring and tracking. If you have any questions regarding any of the above matters or need the appropriate form, please contact the following individuals:

• Approved Appropriations: Your OSPB Budget Analyst at 542-5381
• Forms Preparation: Your GAO Liaison at 542-5601